

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2164 - HB 2943

March 6, 2012

**SUMMARY OF BILL:** Prohibits students from being promoted to the next grade level if they score below proficient on TCAP tests in the subjects of reading/language arts or mathematics in grades three through eight. Prohibits students from receiving course credit if they do not demonstrate competency on one of the end-of-course assessments given in high school. Authorizes students who fail TCAP or end-of-course tests to attend a summer course in the subject of the test. Such students shall be required to retake the TCAP or end-of-course assessment at the end of the summer course. If the student demonstrates proficiency or course competency upon retesting, they shall be promoted to the next grade level or receive course credit. Authorizes students to receive individual tutoring in the subject for which the student failed the TCAP or end-of-course assessment. Such students shall be required to retake the TCAP or end-of-course assessment at the end of the tutoring. If the student demonstrates proficiency or course competency upon retesting, they shall be promoted to the next grade level or receive course credit.

Authorizes the parent or legal guardian of students who do not pass TCAP tests in grades three through eight, to decide to keep the student in their current grade. If the parent or guardian makes this decision, students shall not be required to attend summer school or receive tutoring. Authorizes the parent or legal guardian of students who do not pass the end-of-course assessment to require their students to retake the course. If the parent or guardian makes this decision, students shall not be required to attend summer school or receive tutoring.

Requires the parent or legal guardian of a student who attends summer school as a result of failing to score proficient or demonstrate competency on a TCAP test or end-of-course assessment to pay for the cost of summer school on a sliding scale based on ability to pay. Requires the parent or legal guardian of a student who receives individual tutoring as a result of failing to score proficient or demonstrate competency on a TCAP test or end-of-course assessment to pay for the costs of the tutoring.

Authorizes the State Board of Education to promulgate rules and regulations as necessary.

## **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$8,200,000/Recurring/FY12-13 and Subsequent  
Fiscal Years  
Exceeds \$42,728,600/One-Time/FY17-18/BEP**

**Increase Local Expenditures – \$289,546,000/Recurring/FY12-13 and  
Subsequent Fiscal Years\*  
Exceeds \$80,516,800/One-Time/FY17-18/BEP**

**Other Fiscal Impact - In FY18-19 and subsequent fiscal years, the increase in state and local BEP expenditures will change, depending upon the number of retained students entering the 12<sup>th</sup> grade and the BEP per pupil expenditure for that fiscal year. Based on the BEP funding for FY17-18, it is estimated that the increase in state and local BEP expenditures in FY18-19 and subsequent fiscal years will exceed \$20,000,000.**

### **Assumptions:**

- LEAs will pay for additional summer school teachers and tutoring.
- Based on the results of the 2010-2011 TCAP scores, the Department of Education estimates that 490,000 students in grades three through eight will attend summer school, receive tutoring, or elect to remain in their current grade.
- Based on the results of the 2010-2011 end-of-course assessments (EOC) results, DOE estimates that 130,500 high school students will attend summer school, receive tutoring, or elect to retake the course.
- Though the exact number of students in grades three through eight and high school who will choose each option is unknown, the DOE estimates that 50 percent will attend summer school; 25 percent will receive tutoring; and 25 percent will remain in their current class or retake the course one time.
- The average class size of 25 for grades three through eight and 30 for high school will apply to summer school classes.
- In grades three through eight, the number of students who will attend summer school will be 245,000; the number who will attend tutoring will be 122,500; and the number who stay in their grade an additional year will be 122,500.
- In high school, the number of students who will attend summer school will be 65,250; the number who will attend tutoring is 32,625; and the number who will retake the course will be 32,625.
- For grades three through eight, the number of summer school teachers that will be needed is 9,800 (245,000 students / 25).
- For high school courses, the number of summer school teachers that will be needed is 2,175 (65,250 / 30).
- DOE estimates that each teacher is paid an average of \$35.70 per hour.
- DOE estimates that summer school will be 133 hours.

- The increase in local expenditures for grades three through eight summer school teachers will be \$46,531,380 (133 hours x \$35.70 x 9,800 teachers).
- The increase in local expenditures for high school summer school teachers will be \$10,327,118 (133 hours x \$35.70 x 2,175).
- The increase in local expenditures for summer school will be \$56,858,498 (\$46,531,380 + \$10,327,118).
- DOE estimates that tutoring sessions will last 75 hours and will cost \$20 per hour. Each child will receive tutoring on a one-to-one basis. A total of 155,125 (122,500 grades 3-8 and 32,625 high school) tutors will be needed.
- The increase in local expenditures for tutors will be \$232,687,500 (155,125 x 75 hours x \$20 per hour).
- The total increase in local expenditures for summer school and tutors in FY12-13 and subsequent fiscal years will be \$289,545,998 (\$56,858,498 + \$232,687,500).
- Currently TCAP testing is offered only in the spring. According to DOE, the cost for additional TCAP testing in FY12-13 and subsequent fiscal years will be \$6,950,000. This includes development cost for new tests, materials, and a modified assessment for special education students. Processing costs with the vendor will be \$750,000.
- DOE offers EOC summer tests; however, according to DOE, there will be an increase in materials for EOC tests of \$500,000.
- The total increase in state expenditures for testing will be \$8,200,000 (\$6,950,000 + \$750,000 + \$500,000).
- In FY17-18, DOE estimates that 21,415 retained eight graders from FY12-13 who would have already graduated, will enter the 12<sup>th</sup> grade. The BEP funding formula will fund these students for one year as a one-time increase in state and local expenditures.
- In FY17-18 and each subsequent fiscal year, the BEP will fund retained students on an annual basis as a one-time expenditure that will change each year as a new class of retained students enters the 12<sup>th</sup> grade.
- The BEP currently funds \$6,087 per student with 3,944 state and \$2,093 local match. It is expected that in FY17-18 and subsequent fiscal years that the BEP will fund each student at a higher rate than it does currently.
- In FY17-18, the increase in state expenditures will exceed \$80,516,760 (\$3,944 x 20,415).
- In FY17-18, the increase in local expenditures will exceed \$42,728,595 (\$2,093 x 20,415).
- In FY18-19 and subsequent fiscal years, the increase in state and local BEP expenditures will change, depending upon the number of retained students entering the 12<sup>th</sup> grade and the BEP per pupil expenditure. Though this data is not quantifiable currently, based on the BEP funding for FY17-18, it is estimated that state and local BEP expenditures will exceed \$20,000,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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